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FISCAL IMPACT REPORT

SPONSOR: Robinson DATE TYPED: 2/28/03 HB _____

SHORT TITLE: Accelerate Phased-in Tax Relief SB 930

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(\$0.1) See Narrative	(\$0.1) See Narrative	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

No Responses Received From:

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 930 amends the Income Tax Act to accelerate the personal income tax reductions already passed by the 2003 Legislature. Under SB 930 the top marginal rate in tax year 2003 would be approximately 4.9 percent down from the current 8.2 percent.

Significant Issues

Under the governor's original tax reduction proposal the top rate was reduce incrementally over a four-year phase-in period from 8.2 percent to 4.9 percent. The associated cost of this reduction is approximately \$580 million; SB 930 effectively front loads this impact in the FY04.

FISCAL IMPLICATIONS

Although data from TRD is not available, the fiscal impact of SB 930 would be approximately \$580 million. This is based on figures from the four-year phase in of similar legislation.

SN/prr